

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 NSAE-00 NSCE-00
SSO-00 ICAE-00 INRE-00 AID-05 CEA-01 COME-00
EB-08 EA-10 FRB-03 INR-10 IO-13 NEA-10 OPIC-03
SP-02 TRSE-00 LAB-04 SIL-01 AGRE-00 OMB-01 SS-15
STR-07 PA-01 L-03 H-01 /111 W
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FM AMEMBASSY PARIS

TO SECSTATE WASHDC IMMEDIATE 4704

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USOECD

PASS WHITE HOUSE FOR CEA; NORDHAUS AND SHAFER;
TREASURY FOR JUNZ

E.O. 11652: N/A

TAGS: EGEN, OECD* ECON

SUBJECT: POSITIVE ADJUSTMENT POLICIES: FOLLOW-UP TO
MINISTERIAL COMMUNIQUE

REF: (A) PARIS 21495, (B) PARIS 21579

1. SUMMARY. MISSION INFORMED BY MARRIS THAT SECGEN
HOPES TO RETAIN MAXIMUM FLEXIBILITY ON SUBSTANCE AND
PROCEDURES OF FOLLOW-UP TO MINISTERIAL ACTION ON
POSITIVE ADJUSTMENT POLICIES UNTIL
IMPLICATIONS OF BONN SUMMIT CAN BE INCORPORATED.
WE FEAR THAT OPEN-ENDED CHARGE TO SPECIALIZED
COMMITTEES (PER PARA 2A REFTL) WOULD RESULT IN
UNCOORDINATED EFFORT AND SUGGEST THAT AD HOC EXPERTS
GROUP MEET IN EARLY FALL TO BETTER DEFINE WHAT NEEDS
TO BE DONE. PROCEDURAL QUESTIONS, ESPECIALLY NEED
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FOR POLICY OVERVIEW BY EPC AND/OR XCSS, NEED NOT, IN
OUR OPINION, BE DECIDED IMMEDIATELY. ACTION
REQUESTED(GUIDANCE FOR JULY 20 COUNCIL MEETING
(AND CONSISTENT POSITION FOR JULY 18 XCSS).

2. MISSION HAS DISCUSSED SECRETARY-GENERAL'S
PROPOSAL ON OECD FOLLOW-UP ON POSITIVE ADJUSTMENT

POLICES, AS TRANSMITTED REFTEL A, WITH STEPHEN MARRIS, ECONOMIC ADVISOR TO SEC-GEN VAN LENNEP. HE INDICATED THAT HE AND VAN LENNEP HOPED TO MAINTAIN MAXIMUM FLEXIBILITY ON IMPLEMENTATION OF MINISTERIAL DECISION ON POSITIVE ADJUSTMENT UNTIL CLEARER PICTURE AVAILABLE OF HOW BONN SUMMIT WOULD TREAT THIS QUESTION, WHAT ADDITIONAL FOLLOW-UP MIGHT BE REQUIRED, AND WHAT DEGREE OF POLITICAL INTEREST ATTACHED TO ISSUE. SECRETARY-GENERAL'S NOTE, THEREFORE, WAS INTENDED, TO THE EXTENT POSSIBLE, TO KEEP THE OPTIONS OPEN ON MODE AND LOCUS OF OECD ACTIVITIES, WHILE MAINTAINING THE FORWARD MOVEMENT ON POSITIVE ADJUSTMENT.

3. WITH RESPECT TO FUTURE MEETING OF AD HOC EXPERTS GROUP PER PARA 2B REFTEL A, MARRIS EXPLAINED THAT INTENTION WAS NOT TO EXAMINE COUNTRY POLICIES BUT TO USE COUNTRIES' EXPERIENCE AS MEANS FOR DEVELOPING BETTER UNDERSTANDING OF THE AREAS WHICH NEED MORE ANALYTICAL ATTENTION. HE EXPECTED THAT FIRST MEETING OF AD HOC GROUP WOULD CONSIDER A PAPER SIMILAR TO THE ANNEX TO CE(78)7 WHICH HAD BEEN PREPARED FOR THE APRIL 14 XCSS MEETING. SECOND MEETING OF AD HOC GROUP WOULD PERHAPS REVIEW THE INTENDED WORK PROGRAMS OF SPECIALIZED COMMITTEES TO HELP COORDINATE THEM INTO A COHERENT WHOLE.

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4. MISSION COMMENT: WE AGREE WITH SECRETARY-GENERAL'S DESIRE TO KEEP THE OPTIONS OPEN FOR THE MOMENT ON

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POSITIVE ADJUSTMENT FOLLOW-UP. HOWEVER, WE ARE CONCERNED THAT THE PROPOSAL AS IT NOW STANDS, PARTICULARLY PROCEDURE OUTLINED PARA 2A REFTEL A, MAY RESULT IN SPECIALIZED COMMITTEES GOING OFF IN UNCOORDINATED DIRECTIONS. IT IS OUR IMPRESSION THAT THE PROBLEM AND ITS ANALYTICAL COMPONENTS ARE NOT YET SUFFICIENTLY WELL-DEFINED FOR THE SPECIALIZED COMMITTEES TO DEVELOP A COHERENT WORK PROGRAM ON THEIR OWN INITIATIVE. IN ADDITION, WE BELIEVE THAT SOME POLICY OVERVIEW MECHANISM, PROBABLY INVOLVING THE EPC AND/OR THE XCSS (BOTH OF WHICH HAVE DIRECT INTEREST IN THE MATTER), SHOULD BE INTERPOSED BETWEEN THE SPECIALIZED COMMITTEES AND THE COUNCIL.

5. ALTHOUGH SPECIALIZED COMMITTEES COULD USEFULLY BEGIN CONSIDERING WHAT--IN THEIR VIEW--MIGHT BE NATURE OF THEIR POSSIBLE CONTRIBUTIONS TO POSITIVE ADJUSTMENT FOLLOW-UP, WE WOULD PREFER THAT PROPOSED AD HOC GROUP (HOLDING FIRST MEETING PERHAPS SOONER THAN NOW PLANNED, E.G., EARLY RATHER THAN LATE OCTOBER) BE AFFORDED LIMITED OFFICIAL USE

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SUFFICIENT LATITUDE TO (A) DEFINE TASK TO BE DONE AND (B) DEVELOP A PROPOSED WORK PROGRAM. LATTER, WHEN APPROVED, WOULD BE TRANSMITTED THROUGH THE COUNCIL TO THE SPECIALIZED COMMITTEES THUS GIVING THEM SOME DIRECTION IN SHAPING THEIR OWN WORK PROGRAMS. APPROPRIATE REPRESENTATION FROM THE SPECIALIZED COMMITTEES COULD BE ASKED TO PARTICIPATE WITH THE AD HOC GROUP TO PROVIDE INPUT.

6. INITIAL CONSIDERATION OF FOLLOW-UP TO POSITIVE ADJUSTMENT HAS BEEN PLACED ON THE AGENDA FOR THE JULY 20 COUNCIL MEETING. IT WILL ALSO BE DISCUSSED BRIEFLY BY THE XCSS ON JULY 18 (REFTEL B), IN THE CONTEXT OF ITS DISCUSSION OF ITS FUTURE WORK PROGRAM. MISSION REQUESTS GUIDANCE FOR COUNCIL MEETING AND RECOMMENDS THAT FLEXIBLE POSITION ALONG LINES SUGGESTED IN PARAS 3 AND 4 ABOVE BE ADOPTED. U.S. POSITION ON

POSITIVE ADJUSTMENT FOLLOW-UP FOR XCSS MEETING SHOULD
OF COURSE BE CONSISTENT WITH GUIDANCE PROVIDED FOR
COUNCIL.
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